

**SUMMARY ANALYSIS OF AMENDED BILL**

Author: Ridley-Thomas Analyst: Jennifer Bettencourt Bill Number: SB 797  
 Related Bills: See Prior Analysis Telephone: 845-5163 Amended Date: April 24, 2008  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Tax Preparer/CTEC Requirements

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED

X September 7, 2007, STILL APPLIES.

X OTHER – See comments below.

**SUMMARY**

This bill would add requirements for employees of tax preparers.

**SUMMARY OF AMENDMENTS**

The April 24, 2008, amendments would, among other things, add language to the Business and Professions Code that would clarify requirements for employees of tax preparers that prepare income tax returns. The amendments would also add language making the bill an urgency measure and extend the repeal date of these provisions to January 1, 2012.

As a result of the amendments, the “Effective/Operative Date” and “This Bill” discussions have been revised. Other than the discussions in this analysis, the department’s analysis of the bill as amended September 7, 2007, still applies.

**EFFECTIVE/OPERATIVE DATE**

As an urgency measure, this bill would be effective and operative immediately upon enactment.

Board Position:

\_\_\_\_\_ S \_\_\_\_\_ NA \_\_\_\_\_ NP  
 \_\_\_\_\_ SA \_\_\_\_\_ O \_\_\_\_\_ NAR  
 \_\_\_\_\_ N \_\_\_\_\_ OUA \_\_\_\_\_ X PENDING

Assistant Legislative Director Date

Patrice Gau-Johnson 5/5/08

## **ANALYSIS**

### **THIS BILL**

This bill would require income tax returns prepared by an employee of an exempt tax preparer to be signed by either:

- An exempt tax preparer (Certified Public Accountant, Attorney, or Enrolled Agent), or
- A tax preparer that is registered with the California Tax Education Council (CTEC).

This requirement would not apply to an employee that is exempt under current law, is registered with CTEC, or is an employee of a trust company or financial institution with respect to returns prepared within the scope of their employment. This bill would add that tax preparation includes entering data into a computer.

This bill would also extend the repeal date of the chapter regulating income and franchise tax return preparers from January 1, 2009, to January 1, 2012.

### **LEGISLATIVE STAFF CONTACT**

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